

INDEPENDENT AUDITOR'S REPORT

To the Members of ASA International India Microfinance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ASA International India Microfinance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

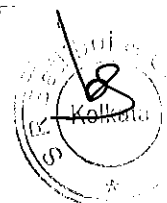
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



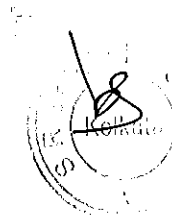
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;

A circular stamp with the text "S.R. BATLIBOI & Co. LLP" around the perimeter. In the center, there is a handwritten signature in black ink.

S.R. BATLIBOI & CO. LLP

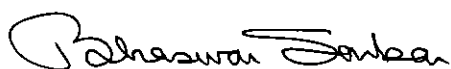
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- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company had disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: June 27, 2019



ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ASA INTERNATIONAL INDIA MICROFINANCE LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company. Accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in few cases, and provident fund, which could not be deposited, due to reasons mentioned in note no. 33(b) of the financial statements.
- (b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess



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and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lacs)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	6.37	April-August 2018	May-September 2018	Not yet Paid	
Professional Tax Act(Respective State)	Professional Tax	0.025	April-August 2018	May-September 2018	Not yet Paid	

(c) According to the records of the Company, the dues of income-tax, goods and service tax and cess on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service tax	320.08	2008 to 2012	The Commissioner of Service Tax, Kolkata
The Income Tax Act, 1961	Income Tax	261.35	A.Y. 2011-12 & A.Y 2012-13	CIT-Appeal

(d) In respect of sub clauses (vii) (a) to (vii) (c) above, the Company did not have any dues towards sales tax, custom duty, value added tax and excise duty, during the year.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Accordingly, clause (ix) is not applicable to the Company and hence not commented upon.

Money raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/ surplus funds were gainfully invested in fixed deposits/ liquid assets, pending for the purpose for they were raised.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or by its employees or officers has been noticed or reported during the year except for instances of cash embezzlements by



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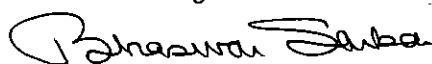
certain employees of the Company aggregating to an amount of Rs. 18,41,626 and out of which Rs 10,56,607 has been recovered.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: June 27, 2019



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ASA INTERNATIONAL INDIA MICROFINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ASA International India Microfinance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

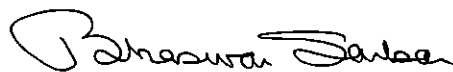
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: June 27, 2019



ASA International India Microfinance Limited
Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	1,72,38,000	1,35,98,300
Reserves and surplus	4	1,43,08,11,229	74,93,24,485
		1,44,80,49,229	76,29,22,785
Non-current liabilities			
Long-term borrowings	5	4,06,48,91,898	2,30,45,71,374
Long term provisions	6	5,50,20,086	4,33,12,970
		4,11,99,11,984	2,34,78,84,344
Current liabilities			
Short-term borrowings	7	1,213	23,44,95,148
Other current liabilities	8	2,92,49,16,231	2,91,74,54,863
Short-term provisions	6	9,42,09,091	5,60,18,403
		3,01,91,26,535	3,20,79,68,414
Total		8,58,70,87,748	6,31,87,75,543
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	9A	3,13,06,972	2,72,38,615
Intangible assets	9B	48,73,678	36,04,573
Deferred tax assets	11	4,10,12,742	3,05,72,387
Long term loans and advances	12	71,08,04,640	60,31,11,224
Other non-current assets	13	22,12,68,797	20,87,87,366
		1,00,92,66,829	87,33,14,165
Current assets			
Current investments	10	-	5,57,578
Cash and bank balances	14	1,26,83,74,473	89,12,07,441
Short-term loans and advances	12	6,07,41,98,649	4,44,35,28,408
Other current assets	13	23,52,47,797	11,01,67,951
		7,57,78,20,919	5,44,54,61,378
Total		8,58,70,87,748	6,31,87,75,543

Summary of significant accounting policies 2.1

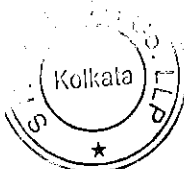
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants

Bhaswar Sarkar

per Bhaswar Sarkar
Partner
Membership No.: 55596



For and on behalf of the Board of Directors of
ASA International India Microfinance Limited

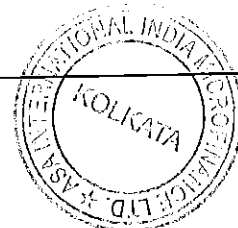
Anjan Dasgupta
Anjan Dasgupta
Managing Director
DIN 03314638

Subhrangsu Chakravarty
Subhrangsu Chakravarty
Chief Financial Officer

Dolly Guha
Dolly Guha
Independent Director
DIN: 07671775

Sadiyeh Zameer
Sadiyeh Zameer
Company Secretary

Place: Kolkata
Date: June 27, 2019



ASA International India Microfinance Limited
Statement of Profit and Loss for the year ended March 31, 2019

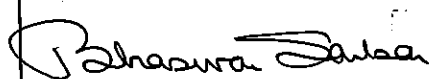
	Notes	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
I. Income			
Revenue from operations	15	1,79,98,86,177	1,26,20,61,326
Other income	16	1,78,75,903	1,17,45,816
Total income		1,81,77,62,080	1,27,38,07,142
II. Expenses			
Employee benefit expenses	17	36,49,29,279	20,38,09,974
Finance costs	18	78,44,00,790	60,50,62,154
Depreciation and amortisation expense	19	1,78,50,389	1,05,41,186
Other expenses	20	17,94,86,770	10,62,87,259
Provisions and write offs	21	5,04,12,092	4,19,39,771
Total expenses		1,39,70,79,320	96,76,40,344
Profit before tax		42,06,82,760	30,61,66,798
Tax expense			
Current tax		13,52,84,423	11,46,87,300
Deferred tax credit		(1,04,40,355)	(90,12,044)
Total tax expenses		12,48,44,068	10,56,75,256
Profit for the year		29,58,38,692	20,04,91,542
Earning per share (EPS)	22		
Basic		1954.80	1474.39
Diluted		1954.80	1474.39
Nominal value of share		100	100

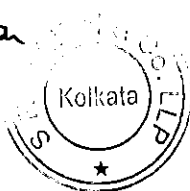
Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.


As per our report of even date

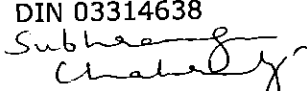
For S.R.Batliboi & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants



per Bhaswar Sarkar
Partner
Membership No.: 55596

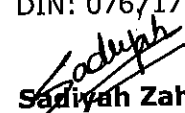


**For and on behalf of the Board of Directors of
ASA International India Microfinance Limited**


Anjan Dasgupta
Managing Director
DIN 03314638


Subhrangsu Chakravarty
Chief Financial Officer


Dolly Guha
Independent Director
DIN: 07671775


Sadiya Zaheer
Company Secretary

Place: Kolkata
Date: June 27, 2019



ASA International India Microfinance Limited
Cash Flow Statement for the year ended March 31, 2019

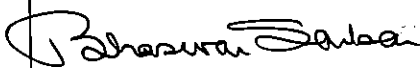
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
A. Cash flow from operating activities :		
Net profit before taxation	42,06,82,760	30,61,66,798
Adjustments for :		
Depreciation	1,78,50,389	1,05,41,186
Provision for service tax	55,86,861	41,78,853
Operating profit before working capital changes	44,41,20,010	32,08,86,837
Movements in working capital:		
Increase in loans & advances	(1,73,47,80,035)	(2,63,36,27,074)
Increase in other assets	(8,37,74,922)	(9,90,77,287)
Increase in provisions	6,87,41,061	4,51,70,463
Increase in other current liabilities	12,13,46,495	12,75,29,026
Cash used in operations	(1,18,43,47,391)	(2,23,91,18,035)
Direct taxes paid	(16,32,98,163)	(9,32,94,740)
Net Cash flow used in Operating Activities (A)	(1,34,76,45,554)	(2,33,24,12,774)
B. Cash flow from investing activities :		
Purchase of fixed assets	(2,31,87,852)	(3,11,83,135)
Purchase of current investments (net)	5,57,578	(4,16,566)
Investment in Bank Fixed Deposits (net)	(14,38,61,638)	(20,33,68,431)
Net cash flow used in investing activities (B)	(16,64,91,912)	(23,49,68,132)
C. Cash flow from financing activities :		
Proceeds from / (Repayment of) short term borrowings (net)	(23,26,91,353)	(71,02,32,147)
Repayment of Cash Credit (net)	(18,02,582)	(1,726)
Proceeds from long term borrowings	2,63,01,96,907	3,60,33,39,785
Repayment of long term borrowings	(2,55,70,94,910)	(91,66,63,979)
Proceeds from issuance of equity shares	38,92,87,753	-
Proceeds from issuance of debentures	1,49,00,00,200	77,00,00,000
Repayment of debentures	8,33,33,200	(6,66,66,600)
Net Cash flow generated from financing activities (C)	1,80,12,29,215	2,67,97,75,333
Net increase In cash and cash equivalents (A+B+C)	28,70,91,749	11,23,94,428
Cash and cash equivalents at the beginning of the year	63,92,43,946	52,68,49,519
Cash and cash equivalents at the end of the year (refer note 14)	92,63,35,695	63,92,43,946

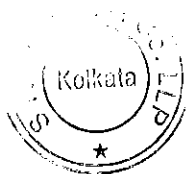
Summary of significant accounting policies (refer note 2.1)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

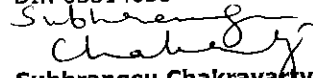
For S.R.Batliloi & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants


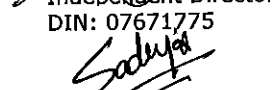

per Bhaswar Sarkar
Partner
Membership No.: 55596



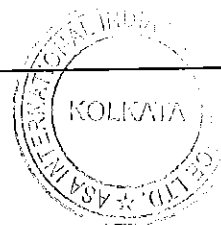
For and on behalf of the Board of Directors of
ASA International India Microfinance Limited


Anjan Dasgupta
Managing Director
DIN 03314638


Subhrangsu Chakravarty
Chief Financial Officer


Dolly Guha
Independent Director
DIN: 07671775

Sadiyan Zaheer
Company Secretary

Place: Kolkata
Date: June 27, 2019



ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

1. Corporate information

ASA International India Microfinance Limited ("the Company") is a Company domiciled and incorporated in India. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI').

The Company is engaged in providing financial services to women mainly in rural and semi urban areas of India who are organized into small groups.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 007/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') and other applicable clarifications provided by RBI.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans that are recognized on realization. The accounting policies applied by the Company are consistent with those applied in the previous year, unless specified otherwise.

2.1 Summary of significant accounting policies/ accounting estimate

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management too make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

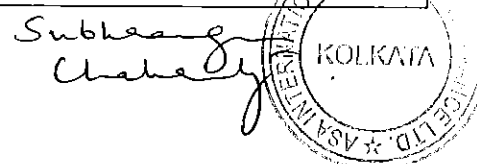
b. Tangible fixed assets

All tangible fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Computer software is amortized using the written down value method at a rate of 40% per annum.



d. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is calculated on the written down value method as per the useful life prescribed under Schedule II to the Companies Act, 2013, which is the useful lives of the underlying assets as estimated by the management.

e. Borrowing Cost

Borrowing costs includes interests which are recognised on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Processing fees and ancillary fees incurred for arrangement of borrowings from banks and financial institutions are charged off up-front to the statement of profit and loss.

f. Impairment of fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Investments

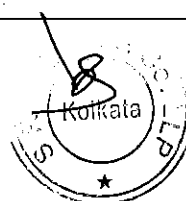
Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Interest income on portfolio loans is recognized in the Statement of profit and loss on time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's"), where it is recognized, upon realization, as per prudential norms of RBI. Any such income recognised before the assets become non-performing and remaining unrealised are reversed.
- ii) Interest income on deposits with banks is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iii) Processing fees are recognized as income upfront when it becomes due.
- iv) Income from services rendered in connection with loans given on behalf of banks/NBFCs to joint liability groups/individual liability groups organized / monitored



Subhrajit KOLIKATA
Chaudhary

ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

by the Company are recognized on accrual basis as and when such services are rendered.

- v) Profit/premium arising at the time of securitization of loan portfolio is amortized over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from excess interest spread is recognized in the statement of profit and loss account net of any losses at the time of actual receipt.
- vi) All other income is recognized on an accrual basis.

i. Foreign currency transactions

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

j. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable under the scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

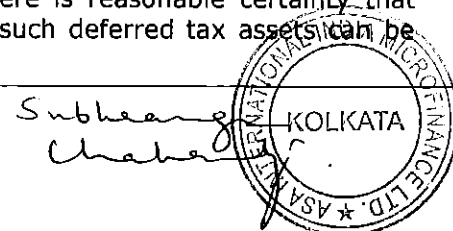
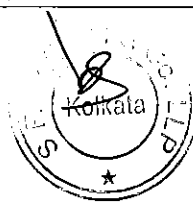
Short term compensated absences are provided for based on estimates.

k. Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be



ASA International India Microfinance Limited**Notes to the Financial Statements as at and for the year ended March 31, 2019**

realised. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realised. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognized a contingent liability but discloses its existence in the financial statements.

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

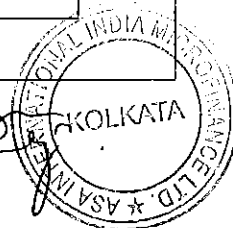
p. Classification of Portfolio loans

Loans are classified as follows:

Asset Classification	Period
Standard Assets	Current Loan and overdue upto 90 days
Non-Performing Assets	Overdue from 90 days and more



Subhanga
Chakrabarti



ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

"Overdue" refers to interest and / or installment remaining unpaid from the day it became receivable.

The above classification is in accordance with the NBFC Master Directions, 2016 for Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs).

q. Provision for loan portfolio

- (a) Provision on portfolio loans are made at the higher of management estimates or minimum provision required as per RBI directions issued in this behalf.

As per the Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

- (b) Provision for losses arising under securitized/managed portfolio is on the basis of incurred losses (shortfall in collection), subject to the maximum guarantee given in respect of such arrangements.
- (c) Overdue loans are written-off, when the prospect for recovery is considered remote as per management estimate.

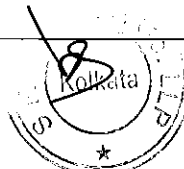
r. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

s. Corporate Social Responsibility (CSR) expenditure

Expenditure incurred towards CSR is charged to the statement of profit and loss.

Subhanga Chatterjee



3	Share capital	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
	Authorized Shares 10,00,000 (March 31, 2018: 10,00,000) equity shares of Rs. 100/- each	10,00,00,000	10,00,00,000
		10,00,00,000	10,00,00,000
	Issued, subscribed and fully paid-up shares 1,72,380 (March 31, 2018: 1,35,983) equity shares of Rs. 100/- each	1,72,38,000	1,35,98,300
		1,72,38,000	1,35,98,300
	Total Issued, subscribed and fully paid-up share capital	1,72,38,000	1,35,98,300

A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	1,35,983	1,35,98,300	1,35,983	1,35,98,300
Issued during the year	36,397	36,39,700	-	-
Shares outstanding at the end of the year	1,72,380	1,72,38,000	1,35,983	1,35,98,300

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding, ultimate holding company and their subsidiaries

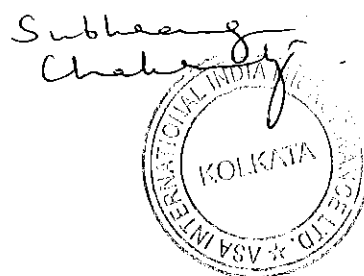
Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries are as below:

	As at March 31, 2019 No. of Shares held	As at March 31, 2018 No. of Shares held
Equity Shares of Rs. 100/- each fully paid		
ASA International Holdings (ASAIH), Mauritius, the Holding Company	1,25,150	92,389
Proswift Consultancy Pvt Ltd, a wholly owned subsidiary of ASA International Holdings, Mauritius	29,995	29,995
CMI International Holding, Ultimate parent Company	1	1

D. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 100/- each fully paid				
ASA International Holdings (ASAIH), Mauritius, the Holding Company	1,25,150	72.60%	92,389	67.94%
Proswift Consultancy Pvt Ltd, a wholly owned subsidiary of ASA International Holdings, Mauritius.	29,995	17.40%	29,995	22.06%
IDFC Bank Ltd.	17,226	9.99%	13,590	9.99%

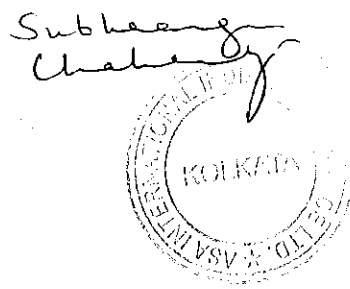
As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



4	Reserves and surplus	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
A.	Securities premium account		
	Balance as per last financial statements	38,82,75,875	38,82,75,875
	Add: Addition during the year	38,56,48,053	-
	Closing Balance (A)	77,39,23,928	38,82,75,875
B.	Statutory reserve		
	Balance as per last financial statements	7,61,12,201	3,60,13,893
	Add: Amount transferred from surplus balance in the Statement of Profit and Loss	5,91,67,738	4,00,98,308
	Closing Balance (B)	13,52,79,939	7,61,12,201
C.	General Reserve		
	Balance as per last financial statements	79,11,847	79,11,847
	Add: Addition during the year	-	-
	Closing Balance (C)	79,11,847	79,11,847
D.	Surplus in the Statement of Profit and Loss		
	Balance as per last financial statements	27,70,24,562	11,66,31,328
	Profit for the year	29,58,38,692	20,04,91,542
	Less: Appropriations		
	Transferred to statutory reserve (@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	5,91,67,739	4,00,98,308
	Net surplus in the Statement of Profit and Loss (D)	51,36,95,515	27,70,24,562
Total (A+B+C+D)		1,43,08,11,229	74,93,24,485

5	Long-term borrowings	Non Current Portion		Current Maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Debentures (privately placed)				
	Secured				
	- from Non banking finance companies (NBFCs) Redeemable Non-Convertible Debentures	2,41,00,00,000	83,66,67,000	6,66,66,800	6,66,66,400
B.	Term loans				
	Secured				
	- Indian Rupee loan from banks	33,38,65,183	35,33,62,316	97,49,78,757	1,11,73,35,884
	- Indian Rupee loan from Financial Institution	24,00,00,000	-	6,00,00,000	-
	- Indian Rupee loan from non banking finance companies	53,09,31,718	81,42,28,240	1,40,80,30,626	1,43,95,63,937
C.	Deferred payment credit				
	Secured				
	- Indian Rupee loan from non banking finance companies	94,997	3,13,818	2,00,000	1,95,089
D.	Sub-ordinate debt				
	Unsecured				
	- Indian Rupee loan from banks	55,00,00,000	30,00,00,000	-	-
Total		4,06,48,91,898	2,30,45,71,374	2,50,98,76,183	2,62,37,61,310
The above amount includes					
Secured		3,51,48,91,898	2,00,45,71,374	2,50,98,76,183	2,62,37,61,310
Unsecured		55,00,00,000	30,00,00,000	-	-
Amount disclosed under the head "other current liabilities" (Refer Note 8)		-	-	(2,50,98,76,183)	(2,62,37,61,310)
Total		4,06,48,91,898	2,30,45,71,374	-	-

Refer Note 5A and 5B for terms of repayment of debentures, term loans, deferred payment credit and sub-ordinated debt.



ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

5A Long-term borrowings (Contd.)

Terms of repayment of Debentures, Term Loans, Deferred payment credit & Sub-ordinate debt as on March 31, 2019

Description	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 years		More than 3 years		Interest rate	Total
	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)	No. of Installments	Amount (in Rupees)		
Non-Convertible Debentures										
Quarterly repayment schedule										
From NBFCs:										
1-3 Yrs.	4	6,66,66,800							13.25% - 14.00%	6,66,66,800
3 - 5 Yrs.										
Bullet repayment schedule										
From NBFCs:										
1-3 Yrs.	1	32,00,00,000	2	52,00,00,000	4	1,57,00,00,000			13.25% - 14.00% 13.85%	84,00,00,000 1,57,00,00,000
3 - 5 Yrs.										
Term Loans										
Quarterly repayment schedule										
From Banks:										
1-3 Yrs.	12	25,00,00,000	1	2,50,00,000					11.00% - 14.25%	27,50,00,000
From NBFCs:										
1-3 Yrs.	20	26,66,66,334	16	22,49,98,670	3	5,41,66,664			12.50% - 13.00%	54,58,30,668
3 - 5 Yrs.										
One time repayment schedule										
From Banks:										
More than 5 Yrs.					1	30,00,00,000	1	25,00,00,000	13.10% - 14.25%	55,00,00,000
Monthly repayment schedule										
From Banks:										
1-3 Yrs.	93	72,49,78,737	41	28,38,65,191	3	2,49,89,991			12.35% - 13.35%	1,03,38,43,939
From NBFCs:										
1-3 Yrs.	303	1,14,13,65,292	72	22,84,43,078	5	2,33,23,306			13.71% - 14.50%	1,39,31,31,676
3 - 5 Yrs.										
From FIs:										
1-3 Yrs.	6	6,00,00,000	12	12,00,00,000					13.25%	30,00,00,000
Grand Total		2,50,96,76,183		1,20,29,06,939		74,24,89,961		1,87,00,00,000		6,57,44,73,083

Note:

A. Debentures

The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans. Debentures amounting to Rs. 45,00,00,000 has a call/ put option available with the Company /Debenture holders at the end of 36 months from the date of allotment. Debentures amounting to Rs. 1,12,00,00,000 has a call/ put option available with the Company /Debenture holders at the end of 24 months from the date of allotment.

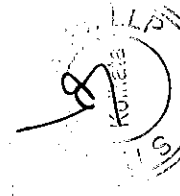
B. Term Loans

The term loans are secured by hypothecation of portfolio loans covered by respective hypothecation loan agreements and margin money deposits.

C. Deferred payment credit

Deferred payment credits are secured by first charge of vehicle purchased from proceeds of such loans. The outstanding loan amount is repayable in 18 monthly installments of Rs. 16,867/- each. The loan carries interest @ 10.09% p.a.

Subcommittee



5B Long-term borrowings (Contd.)
Terms of repayment of Debentures Term Loans & Deferred payment credit as on March 31, 2018

Descriptions	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 years		Due between 3 and 5 years		Interest Rate	Total
	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)		
Non-Convertible Debentures										
Quarterly repayment schedule										
From NBFCs:										
1-3 Yrs.	4	6,66,66,400	4	6,66,67,000	2	32,00,00,000	2	45,00,00,000	13.25% - 14%	45,33,33,400
3-5 Yrs.									13.85%	45,00,00,000
Term Loans										
Quarterly repayment schedule										
From Banks:										
1-3 Yrs.	12	20,00,00,000	8	15,00,00,000					11% - 14%	35,00,00,000
3-5 Yrs.									0.00%	-
From NBFCs:										
1-3 Yrs.	8	13,33,36,000	8	13,33,36,000	5	5,83,28,000			12.50% - 14.25%	32,50,00,000
3-5 Yrs.	7	6,45,83,332	8	7,49,99,998	6	5,83,33,340	1	1,04,16,665	13.00%	20,83,33,335
One time repayment schedule										
From Banks:										
More than 5 Yrs.							1	30,00,00,000	13.10%	30,00,00,000
Monthly repayment schedule										
From Banks:										
1-3 Yrs.	97	91,73,35,884	21	20,33,62,316					14%-16%	1,12,06,98,200
From NBFCs:										
1-3 Yrs.	290	1,14,16,44,607	97	41,46,76,025	7	2,24,71,523			12.50% - 16.00%	1,57,87,92,155
3-5 Yrs.	12	9,99,99,998	5	4,16,66,689					15.50%	14,16,66,687
Grand Total		2,62,35,66,221		1,08,47,08,028		45,91,32,863		76,04,16,665		4,92,78,23,777

Note:

A. Debentures

The debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans. Debentures amounting to Rs. 450,000,000 has a call/ put option available with the Company / Debenture holders at the end of 36 months from the date of allotment.

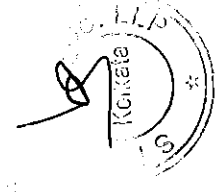
B. Term Loans

The term loans are secured by hypothecation of portfolio loans covered by respective hypothecation loan agreements and margin money deposits.

C. Deferred payment credit

Deferred payment credits are secured by first charge of vehicle purchased from proceeds of such loans. The outstanding loan amount is repayable in 27 monthly instalments of Rs. 21,296/- each. The loan carries interest @ 10.09% p.a.

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6	Provisions:	Long Term		Short Term	
		As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
A.	Provision for employee benefits Provision for gratuity [Refer note 27(a)] Provision for leave benefits	1,93,00,943	95,95,607	7,35,126 2,08,74,105	3,31,598 1,18,89,611
		1,93,00,943	95,95,607	2,16,09,231	1,22,21,209
B.	Provision for portfolio loans (Refer note 23) On standard assets (Refer note 2.1.q(a)) On non performing assets (Refer note 2.1.q(a))	41,90,515 1,79,41,176 2,21,31,691	26,72,965 2,55,09,735 2,81,82,700	4,33,25,047 - 4,33,25,047	2,13,93,945 - 2,13,93,945
C.	Others Provision for securitised/managed portfolio loans (Refer note 2.1.q(b)) Provision for litigations *	1,35,87,452 - 1,35,87,452	55,34,663 - 55,34,663	74,11,022 2,18,63,791 2,92,74,813	61,26,319 1,62,76,930 2,24,03,249
	Total	5,50,20,086	4,33,12,970	9,42,09,091	5,60,18,403

* Represents provision made towards disputed service tax dues in respect of financial year 2008-09 to 2011-12, based on best estimate of the management.

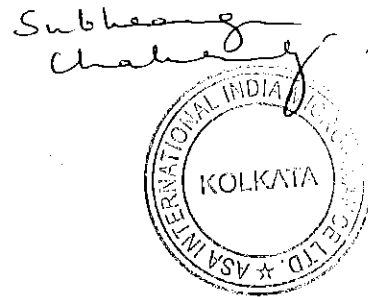
7	Short-term borrowings	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
		1,213	18,03,795
	Cash credit from banks (secured) Indian Rupee loan from banks & NBFCs (secured)	- 1,213	23,26,91,353 23,44,95,148
	The above amount includes Secured Unsecured	1,213 - 1,213	23,44,95,148 - 23,44,95,148
	Total	1,213	23,44,95,148

Short term loans and cash credit are secured by hypothecation of underlying portfolio loans and margin money deposits, where applicable, in accordance with the respective loan agreements. The loans/cash credit carry an interest rate ranging from 7.50% to 14.50% per annum.

8	Other Current liabilities	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
		2,50,98,76,183	2,62,37,61,310
	Current maturities of long-term borrowings (Refer note 5)	8,96,62,302	3,87,15,248
	Interest accrued but not due on borrowings	14,70,46,539	5,29,60,067
	Payable towards securitization transactions	6,14,57,484	9,55,86,826
	Payable to Banks/NBFCs against BC arrangement *	2,88,66,338	2,10,65,321
	Advance from banks/NBFCs (pending disbursement) under BC arrangement*	2,88,06,403	1,81,08,799
	Employee Benefits Payable	2,17,02,749	1,49,21,057
	Insurance premium Payable	80,09,967	89,36,219
	Statutory dues payable	41,02,286	2,88,06,956
	Interest refund payable (Refer note 33)	2,53,85,980	1,45,93,060
	Other payables **	2,92,49,16,231	2,91,74,54,863
	Total	2,92,49,16,231	2,91,74,54,863

* Payable to Banks/NBFCs against BC arrangement represents amount collected from customers for loans disbursed on behalf of Banks/NBFCs. As per terms of arrangements, such amounts are repaid on fixed monthly instalments. The amount collected out of such disbursement is shown in other liabilities.
Advance from Banks/NBFCs against BC arrangement represents amount received from the Bank/NBFC for onward disbursement to the customers, pending disbursement.

** Includes Rs 2,33,470 received against old loans (prior to 1.7.2012), fully matured for refund and are pending as current addresses of the loanes are not available.



ASA International India Microfinance Limited
Notes to the Financial Statement as at and for the year ended March 31, 2019

9A	Tangible Assets:					(Rs.)
	Particulars	Furniture & Fixtures	Computers	Office equipments	Vehicles	Total
	At March 31, 2017	42,59,176	1,09,24,806	71,62,553	13,95,559	2,37,42,094
	Additions	73,60,624	86,01,663	1,11,98,495	-	2,71,60,782
	Disposals	-	-	(9,135)	-	(9,135)
	At March 31, 2018	1,16,19,800	1,95,26,469	1,83,51,913	13,95,559	5,08,93,741
	Additions	41,07,009	1,18,09,770	40,68,895	-	1,99,85,673
	Disposals	-	-	-	(54,200)	(54,200)
	At March 31, 2019	1,57,26,809	3,13,36,239	2,24,20,808	13,41,359	7,08,25,215
	Depreciation					
	At March 31, 2017	40,89,095	83,58,331	13,45,971	6,65,548	1,44,58,945
	Charge for the year	7,42,671	35,58,801	46,72,836	2,26,484	92,00,792
	Disposals	-	-	(4,610)	-	(4,610)
	At March 31, 2018	48,31,766	1,19,17,132	60,14,197	8,92,032	2,36,55,127
	Charge for the year	23,37,041	72,00,625	62,07,786	1,55,492	1,59,00,944
	Disposals	-	-	-	(37,829)	(37,829)
	At March 31, 2019	71,68,807	1,91,17,757	1,22,21,983	10,09,695	3,95,18,242
	Net Block					
	At March 31, 2018	67,88,034	76,09,337	1,23,37,716	5,03,527	2,72,38,615
	At March 31, 2019	85,58,002	1,22,18,482	1,01,98,825	3,31,664	3,13,06,973

9B	Intangible Assets:	(Rs.)
	Particulars	Software
	At March 31, 2017	18,76,769
	Additions	44,87,828
	Disposals	-
	At March 31, 2018	63,64,597
	Additions	32,18,550
	Disposals	-
	At March 31, 2019	95,83,147
	Depreciation	
	At March 31, 2017	14,19,630
	Charge for the year	13,40,394
	Disposals	-
	At March 31, 2018	27,60,024
	Charge for the year	19,49,445
	Disposals	-
	At March 31, 2019	47,09,469
	Net Block	
	At March 31, 2018	36,04,573
	At March 31, 2019	48,73,678

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10	Current Investments	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
	Non-trade Investment (Valued at lower of cost or fair value)		
	Investment in Unquoted Mutual Funds		1,04,546
	AxIs Liquid Fund-Direct Growth (CF-DG)		4,63,033
	IDFC Cash fund - Daily Dividend - Direct Plan		
	Total		5,57,578

11	Deferred tax assets	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)
	Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	36,96,393	25,92,609
	Impact of provision on portfolio, managed loans and other receivables	1,12,38,303	1,52,02,746
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,60,78,046	1,27,77,032
	Total	4,10,12,742	3,05,72,387

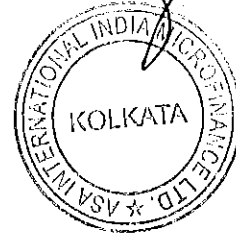
12	Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current Portion		Current Portion	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Portfolio loans				
	Individual Loans				
	Considered good*	57,44,06,679	56,01,63,729	5,93,86,96,718	4,36,69,05,405
	Considered doubtful**	3,25,70,399	3,05,95,326	-	-
	Individual loans placed as collateral towards securitisation transaction				
	Considered good*	5,48,12,847	-	9,51,84,409	4,82,12,679
	Considered doubtful**	-	-	-	-
		66,17,89,925	59,07,59,055	6,03,38,81,127	4,41,51,18,084
B.	Security deposits				
	Considered good	11,60,756	14,59,756	6,02,800	2,36,100
		11,60,756	14,59,756	6,02,800	2,36,100
C.	Advances recoverable in cash or kind				
	Considered good	-	-	99,98,033	1,08,29,647
	Considered doubtful	1,35,87,452	55,34,663	-	-
		1,35,87,452	55,34,663	99,98,033	1,08,29,647
D.	Others				
	Considered good				
	Prepaid expenses	1,32,373	1,28,352	18,33,694	26,39,750
	Loan to staff	22,04,000	13,13,003	23,86,088	33,83,555
	Advance Income tax [net of provision for taxation of Rs 13,09,47,955 (March 31, 2018 : Rs 11,40,87,700)]	3,19,30,134	39,16,395	-	-
	Other receivables (net of provision of Rs 16,24,285/-) (March 31, 2018 : Rs. 859,896/)*	-	-	2,54,96,907	1,13,21,272
		3,42,66,507	53,57,750	2,97,16,689	1,73,44,577
	Total	71,08,04,640	60,31,11,224	6,07,41,98,649	4,44,35,28,408

*Represents standard assets in accordance with Company's asset classification policy (Refer note 2.1(p) & 23).

**Represents non performing assets in accordance with Company's asset classification policy (Refer note 2.1(p) & 23).

*represents amount receivable in respect of deceased borrowers

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13 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 14)	13,19,69,996	11,53,83,641	-	-
	13,19,69,996	11,53,83,641	-	-
Others				
Interest accrued on portfolio loans	-	-	2,33,91,379	1,36,26,065
Interest accrued but not due on deposits placed with banks and financial institution	2,92,98,801	64,03,725	57,51,156	1,20,46,067
Service fees receivable from BC partners	-	-	9,81,05,262	4,06,95,819
Margin money with non-banking financial companies (marked as lien towards term loans availed and business correspondence service)	6,00,00,000	8,70,00,000	10,80,00,000	4,38,00,000
	8,92,98,801	9,34,03,725	23,52,47,797	11,01,67,951
Total	22,12,68,797	20,87,87,366	23,52,47,797	11,01,67,951

14 Cash and bank balances	Non-Current Portion		Current Portion	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents				
Balances with banks	-	-	92,61,27,522	43,79,81,858
-on current accounts	-	-	-	20,11,98,638
-deposit with original maturity of less than three months	-	-	2,08,173	63,450
Cash on hand	-	-	92,63,35,695	63,92,43,946
Other bank balances :				
Deposit with original maturity for more than 3 months but not more than 12 months (*)	1,50,00,000	-	1,27,21,370	4,43,48,638
Deposit with original maturity for more than 12 months (*)	11,69,69,996	11,53,83,641	32,93,17,408	20,76,14,857
	13,19,69,996	11,53,83,641	34,20,38,778	25,19,63,495
Amount disclosed under non-current assets (Refer Note 13)	(13,19,69,996)	(11,53,83,641)	-	-
Total	-	-	1,26,83,74,473	89,12,07,441

* Includes deposit certificates of Rs. 45,41,16,615 (March 31, 2018: Rs 32,81,45,758) marked as lien towards term loans availed from banks and financial institutions,towards cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with banks/NBFCs.

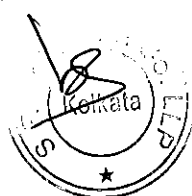
15 Revenue from operations	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Interest Income on portfolio loans	1,29,69,93,725	95,85,18,472
Service fee Income from business correspondence activity	27,01,11,977	16,63,39,745
Excess Interest spread on securitization	7,66,33,494	1,39,76,409
Other operating revenue:		
Recovery against loans written off	44,24,650	19,46,786
Processing fee on portfolio loans	11,14,16,329	9,26,98,280
Interest on margin money deposits*	4,03,06,002	2,85,81,634
Total	1,79,98,86,177	1,26,20,61,326

* Represents Interest on margin money deposits marked as lien towards term loans availed from banks and financial institutions and on deposits marked as cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with banks/NBFCs.

16 Other Income	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Interest Income on fixed deposits with banks	15,14,973	26,16,025
Dividend Income on investment in Mutual funds	1,25,38,820	58,16,565
Miscellaneous Income	38,22,110	33,13,226
Total	1,78,75,903	1,17,45,816

17 Employee benefit expenses	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Salaries and bonus	30,91,46,596	17,59,27,073
Contributions to provident fund*	1,63,19,870	1,04,02,223
Contributions to Employee State Insurance Corporation	1,10,47,339	64,72,965
Leave Benefits	89,84,494	33,19,855
Gratuity expenses (Refer note 27)	1,40,07,839	46,71,181
Staff welfare expenses	54,23,141	30,16,677
Total	36,49,29,279	20,38,09,974

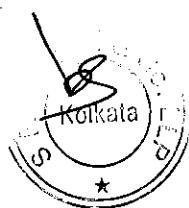
* Contribution to Provident Fund is netted off with amount of Rs. 24,44,622 received under the scheme "Pradhan Mantri Rojgar Protsahan Yojana" for the year ended March 31, 2019 (March 31, 2018: NIL)



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18	Finance Costs	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Interest expense	27,26,81,614	21,94,25,068
	On term loans from banks	4,35,616	
	On term loans from financial institutions	30,49,03,448	27,08,38,076
	On term loans from non banking financial companies	1,58,086	3,34,901
	On overdraft facilities	17,04,99,372	5,65,18,624
	On debentures	3,01,35,793	5,15,26,477
	Other finance costs	55,86,861	64,19,008
	Interest on others*		
	Total	78,44,00,790	60,50,62,154
* Represents interest provided towards disputed service tax dues in respect of financial year 2008-09 to 2011-12, based on best estimate of the management.			
19	Depreciation and amortisation expense	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Depreciation of tangible assets	1,59,00,944	92,00,792
	Amortisation of intangible assets	19,49,445	13,40,394
	Total	1,78,50,389	1,05,41,186
20	Other expenses	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Rent	3,35,73,917	2,11,91,462
	Rates and taxes	1,22,69,988	1,47,76,496
	Repairs & maintenance	12,35,556	10,81,326
	Travelling and conveyance	2,13,26,610	1,06,09,747
	Communication expenses	72,22,431	35,87,862
	Printing & stationery	59,42,224	40,28,367
	Legal and professional fees	4,61,90,994	1,81,76,464
	Payment to auditors (Refer note 20A)	85,98,516	68,91,850
	IT support charges	19,37,597	17,70,753
	Bank charges	99,01,672	41,84,889
	Insurance	12,89,462	8,76,897
	Electricity charges	37,34,349	28,03,594
	Membership fees & Subscription	18,02,582	4,93,160
	Advertisement and publication	2,79,565	1,67,646
	CSR expenditure (Refer note 34)	62,13,860	17,95,599
	Miscellaneous expenses	1,83,67,447	1,38,51,147
	Total	17,94,86,770	10,62,87,259
20A	Payment to auditors:	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Particulars		
	As auditors:		
	Audit fee (excluding service tax)	40,00,000	15,00,000
	Other services (certification, etc.)	45,00,000	53,00,000
	Reimbursement of expenses	98,516	91,850
	Total	85,98,516	68,91,850
21	Provision for standard and non performing assets	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Provision for standard assets [Refer note 2.1.q(a)]	2,34,48,652	2,75,52,726
	Provision for non performing assets [Refer note 2.1.q(a)]	(75,68,559)	(13,07,532)
	Provision for securitised/ managed portfolio loans [Refer note 2.1.q(b)]	93,37,492	9,47,200
	Portfolio loans written-off [Refer note 2.1.q(c)]	2,44,30,118	1,39,17,011
	Provision for other receivables [Refer note 2.1.q(c)]	7,64,389	8,30,366
	Total	5,04,12,092	4,19,39,771
22	Earnings per share (EPS)	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Profit for the year	29,58,38,692	20,04,91,542
	Net profit for calculation of basic and diluted EPS	29,58,38,692	20,04,91,542
	Weighted average number of equity shares in calculating basic and diluted EPS	1,51,340	1,35,983
	Basic & Diluted EPS	1,954.80	1,474.39



ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

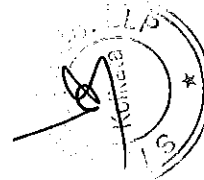
23 Loan portfolio and provision for standard and non-performing assets as at March 31, 2019:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	Provision made during the year	Provision written back / utilised	As at March 31, 2019	As at March 31, 2018
Standard assets	6,66,31,00,653	4,97,52,81,814	2,40,66,910	2,34,48,652	-	6,61,55,85,091	4,95,12,14,904
Non-Performing assets	3,25,70,399	3,05,95,326	2,55,09,735	1,68,61,559	2,44,30,118	1,46,29,223	50,85,591
Total	6,69,56,71,052	5,00,58,77,140	4,95,76,645	4,03,10,211	2,44,30,118	6,63,02,14,314	4,95,63,00,495

Loan portfolio and provision for standard and non-performing assets as at March 31, 2018:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	Provision made during the year	Provision written back / utilised	As at March 31, 2018	As at March 31, 2017
Standard assets	4,97,52,81,814	2,18,97,23,088	1,07,21,972	1,33,44,938	-	4,95,12,14,904	2,17,90,01,116
Non-Performing assets	3,05,95,326	14,34,22,017	1,26,09,479	2,68,17,267	1,39,17,011	50,85,591	13,08,12,538
Total	5,00,58,77,140	2,33,31,45,105	2,33,31,451	4,01,62,205	1,39,17,011	4,95,63,00,495	2,30,98,13,654

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24 Details of Direct Sale Agreement (DSA) executed with banks/NBFCs:

The Company has entered into DSAs with banks/NBFCs under the following terms:

- Amounts received from the bank are disbursed as loan to joint-liability groups organised / monitored by the Company and such joint-liability groups are considered as banks/NBFCs borrowers
- The Company provides services in connection with recovery and monitoring of such loans
- The Company has provided collaterals in the form of fixed deposits & corporate guarantee which would be adjusted by banks/NBFCs, to the extent of default made by borrowers.

Particulars	Year ended March 31, 2019 (Rs.)	Year ended March 31, 2018 (Rs.)
Total book value of the loan disbursed through managed portfolio during the year	4,68,80,30,022	4,21,72,35,000
Outstanding Balance of Loan Disbursed through managed portfolio as at year end	3,20,69,83,633	2,46,56,62,967
Service fee Income recognised during the year	27,01,11,977	16,63,39,745

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Credit enhancements provided and outstanding:		
Cash collateral	26,95,74,963	19,60,66,455

25 Details of Securitised portfolio and income arising out of the same:

During the year, the company has sold its portfolio loans through securitisation arrangements. The information regarding the securitisation activity as an originator is shown below:

Particulars	Year ended March 31, 2019 (Rs.)	Year ended March 31, 2018 (Rs.)
Total book value of the loan asset securitised during the year (A)	1,36,94,42,125	52,27,07,218
Sale consideration received for the loan asset securitised during the year (B)	1,36,94,42,125	52,27,07,218
Gain on securitisation (B-A)	-	-
Portfolio loan securitised and outstanding as at the year end (including Minimum Retention Rate)	60,36,44,746	30,00,21,682
Income from assets securitisation recognised in the statement of Profit & Loss	7,66,33,494	1,39,76,409

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Credit enhancements provided and outstanding		
Principal subordination	14,99,97,256	4,82,12,679
Cash Collateral	9,83,72,655	3,25,83,462
The Company has transferred all the rights and obligations relating to above Securitization loan assets to the buyers with which securitisation arrangements have been entered into.		



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26 Segment reporting:

The Company operates in a single reportable segment i.e. giving loans and other related activities, which have similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e. India

27 (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for those who joined after 30th June 2011 and at 30 days salary (last drawn salary) for those who joined before 1st July 2011 for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following tables summarize the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the gratuity plan.

Particulars	Gratuity	
	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
i) Assumptions:		
Discount rate	7.72%	7.70%
Salary escalation	9.20%	9.20%
Withdrawal rate	17.83%	22.00%
Expected rate of return on assets	7.43%	8.00%
Expected average remaining working life of employees	28	25
Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
ii) Table Showing changes in present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year	3,08,88,225	2,59,99,979
Interest cost	23,46,704	19,57,404
Past service cost	67,283	-
Current service cost	93,81,803	54,09,290
Benefit paid	(9,80,976)	(11,58,277)
Actuarial loss on obligations	38,34,254	(13,20,171)
Present value of defined benefit obligations as at end of the year	4,55,37,293	3,08,88,225
iii) Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year	2,09,61,020	1,68,13,977
Expected return on plan assets	16,27,017	12,89,783
Contributions	38,98,975	39,29,978
Benefits paid	(9,80,976)	(11,58,277)
Actuarial gain/ (loss) on plan assets	(4,812)	85,559
Fair value of plan assets at end of the year	2,55,01,224	2,09,61,020
iv) Actuarial (gain)/loss recognised:		
Actuarial (gain)/loss on obligations	38,34,254	(13,20,171)
Actuarial (gain)/ loss on plan assets	4,812	(85,559)
Actuarial loss recognised in the year	38,39,066	(14,05,730)
v) The amounts to be recognised in the balance sheet and statement of profit and loss:		
Present value of obligations at the end of the year	4,55,37,293	3,08,88,225
Fair value of plan assets at the end of the year	2,55,01,224	2,09,61,020
Net liability recognised in balance sheet	2,00,36,069	99,27,205
vi) Expenses Recognised in statement of profit and loss:		
Past service cost	67,283	-
Current service cost	93,81,803	54,09,290
Interest cost	23,46,704	19,57,404
Expected return on plan assets	(16,27,017)	(12,89,783)
Net Actuarial (gain)/loss recognised in the year	38,39,066	(14,05,730)
Expenses recognised in statement of profit and loss	1,40,07,839	46,71,181
Actual return on plan assets	16,22,205	12,04,224



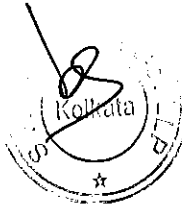
vii) Amounts for the current and previous four years are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligations	4,55,37,293	3,08,88,225	2,59,99,979	1,99,54,813	1,42,43,215
Plan assets	2,55,01,224	2,09,61,020	1,68,13,977	31,26,037	23,15,897
Surplus/(deficit)	(2,00,36,069)	(99,27,205)	(91,86,002)	(1,68,28,776)	(1,19,27,318)
Experience adjustments on plan liabilities [(gain)/loss]	38,34,254	(13,20,171)	17,22,926	24,27,477	98,28,271
Experience adjustments on plan assets [(gain)/loss]	4,812	(85,559)	(3,78,078)	26,375	(1,33,437)
Actuarial (gain)/ loss due to change on assumptions	38,39,066	(14,05,730)	13,44,848	24,53,852	96,94,834

viii) The Major categories of Plan Assets as a percentage of the fair value of Total Plan Asset are as follows:

	As at March 31, 2019	As at March 31, 2018
LIC Fund	100%	100%

- ix) The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.
- x) The company expects to contribute Rs.762,974 /- [March 31, 2018: Rs. 331,598 /-] to gratuity fund in 2019-20.
- xi) The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
- (b) Amount incurred as expense for defined contribution to Provident Fund is Rs. 16,319,870 /- (March 31, 2018: Rs.10,402,223 /-)



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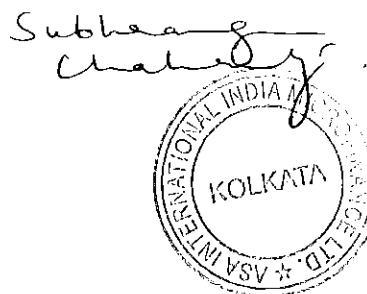
ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019
28 Related party disclosures
A. Names of related parties and related party relationship

Names of related parties	
Ultimate Holding Company	Catalyst Microfinance Investor
Holding Company	ASA International Holding, Mauritius
Fellow Subsidiary	Proswift Consultancy (P) Ltd.
Key Management Personnel	Mr. Anjan Das Gupta, Managing Director Mr. Subhrangsu Chakravarty, Chief Financial Officer Ms. Sadiyah Zaheer, Company Secretary

B. Nature of transactions

Nature of transaction	Name of Related Party	March 31, 2019	March 31, 2018
		(Rs.)	(Rs.)
Salary, Bonus and other allowances*	Mr. Anjan Das Gupta	39,25,079	36,54,006
Contribution to provident fund	Mr. Anjan Das Gupta	2,48,425	2,22,248
Salary, Bonus and other allowances*	Mr. Subhrangsu chakravarty	10,11,408	-
Contribution to provident fund	Mr. Subhrangsu chakravarty	70,275	-
Salary, Bonus and other allowances**	Ms. Sadiyah Zaheer	6,67,472	-
Contribution to provident fund	Ms. Sadiyah Zaheer	40,972	-
Salary, Bonus and other allowances**	Ms. Madhumita Pramanik	-	2,04,335
Contribution to provident fund	Ms. Madhumita Pramanik	-	11,095
Reimbursement of Expenses	Proswift Consultancy (P) Ltd.	3,68,292	2,65,918
Rent paid	Proswift Consultancy (P) Ltd.	7,38,000	6,48,000

*As the future liability for gratuity and leave has been provided for the Company as a whole, the amount pertaining to the Key Management Personnel are separately not ascertainable, and therefore not included above.



29 Leases

Operating lease: Company as lessee

Certain office premises are obtained on operating lease. The lease term is for one to nine years and renewable for further periods either mutually or at the option of the Company. There are no restrictions imposed by lease agreements. There are no subleases and the leases are cancellable.

Description	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)
Operating lease expenses recognised during the year	3,35,73,917	2,11,91,462

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2019 and March 31, 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

31 Capital commitments

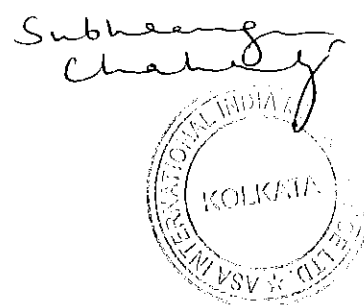
Description	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)
Estimated amount of contracts remaining to be executed on capital accounts	-	-

32 Contingent Liabilities

Description	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)
Demands/claims by various Government authorities not acknowledged as debts and contested by the Company: (*)		
Income Tax	2,61,35,029	2,39,95,647
Service tax (**)	30,04,811	30,04,811
Total	2,91,39,840	2,70,00,458

(*) Based on discussions with the solicitors/favourable decisions in similar cases, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.

(**) Rs. 55,86,861/- [March 31, 2018 Rs. 4,178,853/-] has been charged off to the statement of profit & loss during the year, based on best estimate by the management.



33 (a) During the year, the Company has realised interest on portfolio loan in excess of interest caps stipulated under pricing guidelines in the NBFC Master Directions, 2016 for Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) to the extent of Rs. 1,53,48,371. Balance of similar excess interest realised in earlier years pending refund on the commencement of the year was Rs. 2,88,06,956. During the year the Company has refunded Rs. 4,03,96,389 and the remaining unpaid amount is disclosed as "Interest refund payable" under "Other Current liabilities". The Management believes that after considering the refund, loans in respect of which such excess interest were realised is in accordance with NBFC-MFIs norms.

33 (b) The Employees Provident Fund Organization (EPFO) vide notification dated March 06, 2018, acknowledged the difficulties faced in submission of Aadhar by members of Employee Pension Scheme (EPS) in the State of Assam. The issue was re-examined by EPFO and new members joining EPS in the state of Assam were exempted from submission of Aadhar till 31st March 2018.

However, during this period registration of new staff member for EPS with said state was getting rejected for non-submission of Aadhar. As a result new staff without Aadhar could not be registered and consequently their and company's contribution to EPS could not be deposited till date.

Moreover, for other states also, and mostly from Tripura and West Bengal, the Company could not deposit some PF related to its employees/former employees due to unavailability of full date of birth from their respective Aadhar card. The said issue has been duly informed to the concerned PF Authorities by the Company.

The company has been generally regular in following up with the concerned regional provident fund commissioner for appropriate resolution to enable the company in depositing the aforesaid contributions. The matter is yet to be clarified and amount aggregating Rs. 808,022 in respect of aforesaid contributions till March 31, 2019 is held by the Company as a liability in the financial statement till such time the issue is clarified and rectified by EPFO.

34 Details of CSR Expenditure

Particulars	March 31, 2019
a) Gross amount required to be spent by the Company during the year*	27,84,678
b) Amount spent during the year	
i) Construction/Acquisition of any Asset	
ii) On Purposes other than (i) above	62,13,860

*The provisions of section 135 of the Companies Act, 2013 in respect of expenditure towards CSR has become applicable to the Company in the current year.

35 Additional disclosure required by the Reserve bank of India:

A) Information on Net Interest Margin

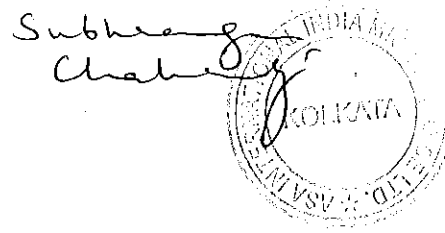
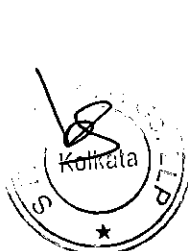
Particulars	March 31, 2019	March 31, 2018
Average Interest (a)	22.57%	23.90%
Average effective cost of borrowing (b)	13.40%	14.23%
Net Interest Margin (a-b)	9.17%	9.67%

B) Exposure to Gold Loan

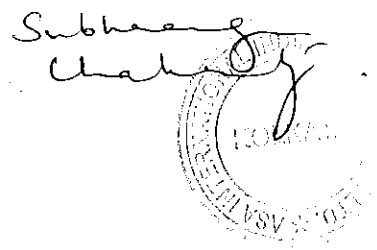
The Company has no exposure to Gold Loan directly or indirectly.

C) Disclosures required as per the Non Banking Financial Company -Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:

Particulars	Remarks
1. Capital to Risk (Weighted) Assets Ratio	Refer Note No. 35 (D)
2. Investments	Refer Note No. 35 (E)
3. Derivatives	The Company has no transaction or exposure in derivatives in the current and previous year.
i) Forward Rate Agreement / Interest Rate Swap	
ii) Exchange Traded Interest Rate (IR) Derivatives	
iii) Disclosures on Risk Exposure in Derivatives	
iv) Forward rate agreement/Interest rate swap	
4. Disclosures relating to Securitisation	
i) Information duly certified by the SPV's auditors obtained by the originating	Refer Note No. 35 (F)
ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	The Company has not sold financial assets to securitisation or reconstruction company for assets reconstruction during the current year.
iii) Details of Assignment transactions undertaken by NBFCs	The Company has not undertaken any assignment transactions during the current year.
5. Details of non-performing financial assets purchased / sold	The Company has not purchased / sold non-performing financial assets during the current year.
i) Details of non-performing financial assets purchased :	
ii) Details of Non-performing Financial Assets sold :	



6.	Asset Liability Management Maturity pattern of certain Items of Assets and Liabilities	Refer Note No. 35 (G)
7.	Exposures	
i)	Exposure to Real Estate Sector	The Company has no exposure to real estate directly or indirectly.
ii)	Exposure to Capital Market	The Company has no exposure to capital market directly or indirectly.
8.	Details of financing of parent company products	None
9.	Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)	The Company has not exceeded any limit in respect of SGL / GBL during the current and previous year.
10.	Unsecured Advances	Refer Note No. 35 (H)
11.	Miscellaneous	
i)	Registration obtained from other financial sector regulators	Refer Note No. 35 (I)
ii)	Disclosure of Penalties imposed by RBI and other regulators	No penalties were imposed by RBI and other regulators during the current year.
iii)	Related Party Transactions	Refer Note No. 28
iv)	Ratings assigned by credit rating agencies and migration of ratings during	Refer Note No. 35 (J)
v)	Remuneration of Directors	Refer Note No. 28
vi)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Refer Note No. 2 & 2.1
vii)	Revenue Recognition	Refer Note No. 2.1(h)
viii)	Accounting Standard 21 -Consolidated Financial Statements (CFS)	The Company does not have any subsidiary or associate as on March 31, 2019 hence AS 21 is not applicable to the Company.
12.	Additional Disclosures	
i)	Provisions and Contingencies	Refer Note No. 35 (K)
ii)	Draw Down from Reserves	There has been no draw down from reserves during the year ended March 31, 2019.
iii)	Concentration of Deposits, Advances, Exposures and NPAs :	
a)	Concentration of Deposits (for deposit taking NBFCs)	This Disclosure is not applicable as the Company as it is not a deposit taking NBFC.
b)	Concentration of Advances	Refer Note No. 35 (L)
c)	Concentration of Exposure	Refer Note No. 35 (L)
d)	Concentration of NPAs	Refer Note No. 35 (L)
e)	Sector-wise NPAs	Refer Note No. 35 (M)
f)	Movement of NPAs	Refer Note No. 35 (N)
iv)	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	The Company has no exposure or transaction with overseas assets.
v)	Off-balance Sheet SPVs sponsored (which are required to be consolidated as	There are no off balance sheet exposure as on March 31, 2019.
13.	Disclosure of Complaints	Refer Note No. 35 (O)



D) Capital to Risk -Assets Ratio (CRAR):

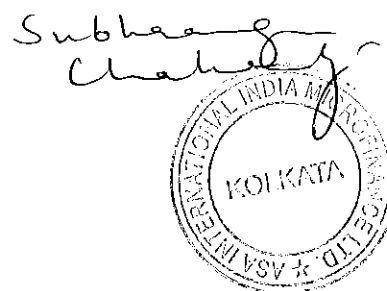
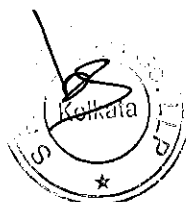
Particulars	March 31, 2019	March 31, 2018
CRAR (%)	25.08	15.97
CRAR - Tier I Capital (%)	19.01	12.06
CRAR - Tier II Capital (%)	6.07	3.91
Amount of subordinated debt raised as Tier-II capital	55,00,00,000	30,00,00,000
Amount raised by Issue of Perpetual Debt Instruments	-	-

E) Investment:

Particulars	March 31, 2019	March 31, 2018
Value of Investments		
Gross Value of Investments		
In India	-	5,57,578
Outside India	-	-
Provisions for Depreciation		
In India	-	-
Outside India	-	-
Net-Value of Investments		
In India	-	5,57,578
Outside India,	-	-
Movement of provisions held towards		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less : Write-off / write-back of excess	-	-
Closing balance	-	-

F.i) The followings figures are being reported based on certificate issued by the auditors of the SPV

Particulars	As at March 31, 2019	As at March 31, 2018
1 No of SPVs sponsored by the NBFC for securitisation transaction	9	2
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC as on the date of balance sheet	60,36,44,746	35,12,63,798
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of		
a Off-balance sheet exposures		
First loss	-	-
Others	-	-
b On-balance sheet exposures		
First loss	14,99,97,256	4,82,12,679
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a Off-balance sheet exposures		
i Exposure to own securitisations		
First loss	-	-
Others	-	-
ii Exposure to third party securitisations		
First loss	-	-
Others	-	-
b On-balance sheet exposures		
i Exposure to own securitisations		
First loss	9,83,72,655	3,25,83,462
Others	-	-
ii Exposure to third party securitisations		
First loss	-	-
Others	-	-



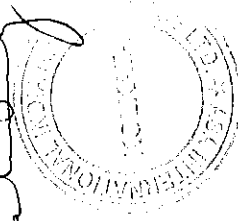
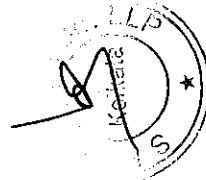
ASA International India Microfinance Limited
Notes to the Financial Statements as at and for the year ended March 31, 2019

Assets Liability management:

G) Maturity pattern of certain assets and liabilities as on March 31 2019

	Upto 30/31 days	Over 1 month upto 2 month	Over 2 month upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	73,37,65,594	78,06,10,603	67,11,40,426	1,93,96,90,603	1,94,19,07,002	63,04,05,469	-	-	6,69,75,19,697
Investments	2,83,33,105	4,62,68,073	3,33,47,128	11,57,29,039	22,63,61,433	19,19,69,996	-	-	64,20,08,774
Borrowings	25,94,47,697	27,25,88,079	21,16,77,939	70,87,91,230	1,05,71,71,238	1,94,47,96,900	1,87,00,00,000	25,00,00,000	6,57,44,73,083

Subhash Chandra



H) Unsecured Advances

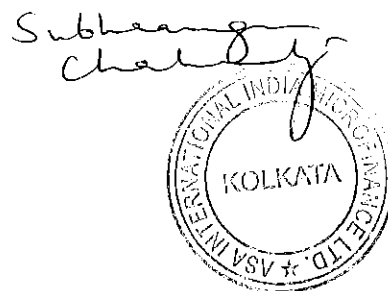
Particulars	As at March 31, 2019	As at March 31, 2018
Portfolio loans	6,69,56,71,052	5,00,58,77,140

I) Registration obtained from other financial sector regulators:

Regulator	Registration No.
Ministry of Company Affairs	U65921WB1990PLC231683
Reserve Bank Of India	B-06.00236

J) Ratings assigned by Credit Rating

Particulars	As at March 31, 2019	As at 31 March 2018
1 Long term Facilities		
Bank Rating	ICRA BBB- (Stable)	ICRA BBB-
2 Long term non convertible debentures		
Hinduja Leyland Finance Limited ("HLF")	ICRA BBB- (Stable)	ICRA BBB- (Stable)
Blue Orchard	ICRA BBB- (Stable)	ICRA BBB-
DWM	ICRA BBB- (Stable)	ICRA BBB-
BlueOrchard Microfinance Fund	ICRA BBB- (Stable)	-
BlueOrchard Microfinance Enhancement Facility	ICRA BBB- (Stable)	-
AAV Sarl	ICRA BBB- (Stable)	-
Masala Investment	ICRA BBB- (Stable)	-
3 MFI Grading	ICRA M2+	ICRA M2
4 Code of conduct assessment Grading	ICRA C2	-
5 Securitisation/Assignment:		
OSHA MFL Northern Arc 2018		
PTC Series A1	ICRA A- (SO)	ICRA A- (SO)
PTC Series A2	ICRA BBB+(SO)	ICRA BBB+(SO)
Altair IFMR Capital 2017		
PTC Series A1	ICRA A- (SO)	ICRA A- (SO)
PTC Series A2	ICRA BBB-(SO)	ICRA BBB-(SO)
Northern Arc 2018 MFI Felix		
PTC Series A1	ICRA A- (SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Northern Arc 2018 MFI Icarus		
PTC Series A1	ICRA A- (SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Northern Arc 2018 MFI Nautilus		
PTC Series A1	ICRA A- (SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Northern Arc 2018 MFI Tonya		
PTC Series A1	ICRA A- (SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Northern Arc 2018 MFI Hume		
PTC Series A1	ICRA A(SO)	-
PTC Series A2	ICRA BBB+(SO)	-
Vivriti Moreno 07 2018		
PTC Series A1	ICRA A-(SO)	-
PTC Series A2	ICRA BBB(SO)	-
Northern Arc 2019 Morec Kree		
PTC Series A1	ICRA A-(SO)	-
PTC Series A2	ICRA BB(SO)	-
Northern Arc 2019 CABSEC		
PTC Series A1	Provisional ICRA A-(SO)	-
PTC Series A2	Provisional ICRA BBB-(SO)	-



K) Provision and Contingencies :

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2019	As at 31 March 2018
Provision for standard and non performing assets	4,03,10,211	4,01,62,205
Provision made towards Income tax	12,48,44,068	10,56,75,256
Other provision and Contingencies (with details)		
a) Provision for Gratuity	1,40,07,839	46,71,181
b) Provision for Leave Benefit	89,84,494	33,19,855
c) Provision for managed portfolio loans	93,37,492	9,47,200
d) Provision for other receivables	7,64,389	8,30,366

L) Concentration of Advances, exposures and NPA's :

Particulars	As at March 31, 2019	As at 31 March 2018
Concentration of Advances		
Total Advances to twenty largest borrowers	11,73,391	11,37,431
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.02%	0.02%
Concentration of Exposures		
Total Exposures to twenty largest borrowers/ customers	11,73,391	11,37,431
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.02%	0.02%
Concentration of NPAs		
Total Exposures to top four NPA accounts	2,03,249	1,82,977

M) Sector-wise NPAs :

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2019	As at 31 March 2018
i) Agriculture & allied activities	0.23%	0.56%
ii) MSME	0.61%	0.63%
iii) Corporate borrowers	-	-
iv) Services	0.08%	0.74%
v) Unsecured personal loans	-	-
vi) Auto loans	-	-
vii) Other personal loans	-	-
Total	0.49%	0.62%

N) Movement of NPA :

	Particulars	As at March 31, 2019	As at 31 March 2018
i)	Net NPA to Net Advances (%)	0.23%	0.10%
ii)	Movement of NPAs (Gross)		
	Opening balance	3,05,95,326	14,34,22,017
	Additions during the year	3,08,38,332	3,05,49,607
	Reductions during the year (represents loan portfolio written-off)	2,88,63,259	14,33,76,298
	Closing balance	3,25,70,399	3,05,95,326
iii)	Movement of NPAs (Net)		
	Opening balance	50,85,591	13,08,12,538
	Additions during the year	1,39,76,773	37,32,340
	Reduction during the year	44,33,141	12,94,59,287
	Closing balance	1,46,29,223	50,85,591
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	2,55,09,735	1,26,09,479
	Provision made during the year	1,68,61,559	2,68,17,267
	Write-off/ write back of excess provisions	2,44,30,118	1,39,17,011
	Closing balance	1,79,41,176	2,55,09,735

O) Customer Complaints :

Particulars	As at March 31, 2019	As at 31 March 2018
No. of complaints pending at the beginning of the year	1.00	-
No. of complaints received during the year	10.00	9.00
No. of complaints redressed during the year	11.00	8.00
No. of complaints pending at the end of the year	-	1.00

The Company has a Customer Grievance Redressal Mechanism for convenience of customers to register their complaints and for Company to monitor and redress them.

The above information is as certified by the management and relied upon by the auditors.



Subhash Chandra



P) Frauds

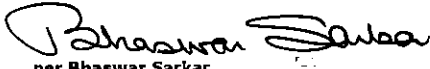
Information on instances of fraud for the year ended March 31, 2019:

Nature of fraud	No. of cases	Amount of fraud	Amount recovered	Considered as Recoverable	Amount Provided for
Cash embezzlement	30	18,41,626	10,56,607	7,07,330	77,689

36 Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

For S.R.Batilbol & Co. LLP
Firm Registration No.301003E/E300005
Chartered Accountants

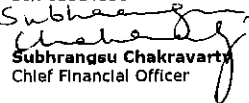

per Bhaswar Sarkar
Partner
Membership No.: 55596

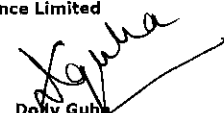
Place: Kolkata
Date: June 27, 2019

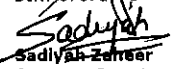


For and on behalf of the Board of Directors of
ASA International India Microfinance Limited


Anjan Dasgupta
Managing Director
DIN 03314638


Subhansu Chakravarty
Chief Financial Officer


Dolly Guha
Independent Director
DIN: 07671975


Sadiya Zahoor
Company Secretary

